

Dear ACH Members:

As we prepare for National Health Center Week, over 1,4000 community health centers nationwide are facing one of the most challenging times in the more than 50-year history of the Community Health Center Program. Given the urgency to reauthorize the Community Health Center Trust Fund by September 30, we encourage you to reach out to your members of Congress while they are home. Our [August Recess Toolkit](#) has numerous resources for you to take advantage of during this month.

During the past year, Advocates for Community Health (ACH) has been working non-stop to elevate the urgent needs of community health centers and the 30 million patients they serve every year. As we celebrate our second anniversary, we thank you for your support and trust during this unprecedented time. [Click here](#) to read our anniversary blog post highlighting some of our latest milestones.

Lastly, given the fast growth of our membership and the urgent need for more capacity, we recently welcomed our new director of policy & government affairs, Molly Grady. Molly brings several years of health policy expertise to her role and we are thrilled to have her supporting our efforts in Washington. We look forward to officially introducing her during our next [Office Hours](#) on Wednesday, August 23.

### **Membership Engagement**

We are excited to share that we received more than 20 proposals for the Community Health Entrepreneur Challenge, which will award five ACH members \$500,000 each! The Selection Committee is now in the process of reviewing proposal submissions, and we hope to notify applicants on the outcome of their submission by the end of August. In the meantime, if you have any questions about this or our two peer learning collaboratives, please [email Liezl Perez Schewe](#).

In addition, in July, the Association of Clinicians for the Underserved (ACU) awarded ACH member CEO, Brooks Miller of Jordan Valley Community Health Center, the Advocate of the Year award at their Annual Conference. For more than 20 years, he has worked tirelessly on behalf of the people of Missouri and health center patients nationwide. We thank you for being a part of ACH.

### **The Latest News from DC:**

Welcome to August, where Congress is officially in recess. The Senate and House will return September 5 and September 12 respectively, leaving little time to finalize federal spending for fiscal year 2024 and reauthorize community health center funding, National Health Service Corps funding, the Pandemic and All Hazards Preparedness Act (PAHPA), the farm bill, and the Temporary Assistance for Needy Families (TANF) Authorization before the September 30 deadline. We expect Congress to exact extensions for all of these matters, but how that will work out remains to be seen.

Before adjourning, the Senate Appropriations Committee completed its full slate of 12 appropriations bills for Fiscal Year 2024 (FY24) discretionary funding allocations. Meanwhile, the House delayed full committee consideration of several appropriations bills until after the August recess. Neither group has held a floor vote on any appropriations bill.

For Labor-HHS, which has jurisdiction over community health centers, cuts are in store for several health care programs because of inflation and the debt-ceiling deal. That is the takeaway from the Labor-HHS-Education FY2024 spending bill the Senate Appropriations Committee advanced. The committee will have to reconcile the bill with the House GOP's substantial proposed budget cuts and elimination of some agencies. The U.S. Department of Health and Human Services (HHS) funding would stay in line with 2023 levels, well below inflation, and some health agencies would also see cuts because of flat funding. The community health center program is among the programs flat funded, as mentioned above. Appropriations Chair Patty Murray (D-WA) lamented restrictions on funding levels set in the debt-ceiling deal in May but noted that senators have agreed to give the Labor-HHS package \$2 billion in additional emergency funding.

In addition, Democrats' efforts to reauthorize the President's Emergency Plan for AIDS Relief (PEPFAR) are floundering in the face of GOP opposition. A bid by Foreign Relations Chair Bob Menendez (D-NJ) to amend the NDAA on the Senate floor this week to reauthorize PEPFAR for five years failed when Republican members objected. Meanwhile, House Republicans confirmed that they will not put forward any reauthorization of the \$7.5 billion program that fights AIDS and HIV, the virus that causes it, in more than 50 countries throughout Africa, Asia, Latin America and Europe. Republicans say the Biden administration has "hijacked" it to fund groups that provide and counsel patients on abortion. Instead, GOP lawmakers want to use a one-year patch tucked into their Foreign Operations spending bill that keeps the decades-old program operating and includes language restoring a Trump administration rule blocking funding to any groups that discuss or financially support other organizations that provide abortions.

#### **ICYMI:**

- In July, the National Immigration Law Center released a report: *Reducing Barriers, Improving Outcomes: Using Federal Opportunities to Expand Health Care Access for Individuals with Limited English Proficiency*. [More information can be found here](#),

**Anything on CHC week? This might be more comms updates?**

#### **Updates on ACH Priorities:**

##### **CHC Invest:**

##### *Community Health Center Reauthorization:*

It has been an eventful time as Congress continues conversations about the reauthorization of the Community Health Center Trust Fund. In the Senate, the HELP Committee is still negotiating their reauthorization. HELP Committee Chairman Bernie Sanders (I-VT) is working with Sen. Roger Marshall (R-KS) on a potential bipartisan proposal, while HELP Committee

Ranking Member Bill Cassidy, M.D. (R-LA) has introduced a reauthorization bill that mirrors the House proposal – a 2-year reauthorization allocating \$4.2 billion per year, a 5% increase. ACH remains laser focused on our goal of achieving a significant increase through the trust fund reauthorization, above the House level. ACH will continue strategic conversations throughout August with members of the Senate as the HELP Committee continues deliberating, and ultimately the House and Senate will have to negotiate a final funding level. We may see an extension to give negotiators more time, beyond the September 30 deadline.

On July 26, ACH SVP of Policy and Government Affairs Stephanie Krenrich [noted in Axios](#), “We had hoped that we would be a little bit further along in the process in the Senate by now, but we're really hopeful that the extra time is going to help the senators on the HELP Committee get to a good place.”

#### *Appropriations for FY24*

As for the appropriations process for discretionary spending, the community health center program has been flat funded in both the House and the Senate, at \$1.86 billion for fiscal year 2024. The path ahead for these bills is murky, and we fully expect to see Congress either enact a continuing resolution to give them more time to negotiate or, if they cannot agree on terms by September 30, we may see a government shutdown.

[More information on our CHC Invest campaign and all we are doing to urge Congress to increase funding for health centers can be found here.](#)

#### **340B/C:**

On July 28, ACH submitted a [letter](#) responding to the bipartisan [Senate 340B Working Group's RFI](#), with significant input from our 340B Working Group. The RFI sought feedback on ways to improve the 340B program, and ACH recommended our 340C proposal as a policy option, among other recommendations.

In addition, on July 24, ACH sent a [stakeholder letter](#) to the leadership of the Senate HELP and House Energy and Commerce Committees outlining the challenges health centers face in the 340B program and recommending [340C as a solution](#). The letter includes signatures from 104 national, state, and local organizations representing 25 states as well as DC and Puerto Rico, including 10 primary care associations. Thank you to all ACH members whose organizations signed on.

ACH continues to advocate urgently for policies to address the actions that are chipping away at the 340B program. [More information can be found here.](#)

#### **Value-Based Care:**

**The VBC working group will meet this week and kick off its FY2024 agenda.**

On August 4, ACH met with CMMI personnel to discuss the upcoming Making Care Primary (MCP) model call for applications, and ways to ensure that eligible ACH members have the

information they need. We will continue to keep you updated as the Innovation Center rolls out this new model.

Additionally, CMMI held an FQHC focused webinar related to the MCP model on July 20. Links are available here: [Slides \(PDF\)](#) | [Transcript \(PDF\)](#) | [Recording \(MP4\)](#).

### **Updates on ACH-Led Legislation and Related Issues:**

#### **Health Equity:**

ACH continues to promote the [Health Center Community Transformation Hub Act](#), HR 1072, on the Hill, including continuing conversations with Rep. John Curtis (R-UT) as a potential lead Republican sponsor.

#### **FQHC Workforce:**

We continue to work toward bipartisan introduction of the Developing the Community Health Workforce Act, to be sponsored by Rep. Raul Ruiz (D-CA). We are currently approaching potential Republican lead sponsors and hope to have the legislation introduced soon. We are also working to ensure that workforce needs are incorporated into discussions on the Community Health Center Trust Fund reauthorization.

As a reminder, ACH recommends \$950 million in FY24 for the National Health Service Corps (NHSC). We also support the Restoring America's Health Care Workforce and Readiness Act, S. 862, a three-year reauthorization introduced by Senators Dick Durbin (D-IL) and Marco Rubio (R-FL) for the NHSC that would double the mandatory funding from \$310 million to \$625 million in FY24 and increase to \$825 million in FY26. For the Teaching Health Centers Program, ACH recommends an investment of \$5 billion over ten years.

#### **Emergency Preparedness:**

ACH continues to work with Rep. Nanette Barragan (D-CA) on the Emergency Preparedness for Underserved Populations Act, legislation to create a fund that will help health centers prepare for the next pandemic, natural disaster, or other emergency, and are working to identify a Republican lead sponsor.

### **Legislation of Interest:**

- **Drug Pricing:** On July 26, three top House Democrats introduced new legislation aimed at lowering prescription drug prices and reining in pharmaceutical price gouging. The [bill](#) was introduced by Energy and Commerce Committee Ranking Member Frank Pallone (D-NJ), Ways and Means Committee Ranking Member Richard Neal (D-MA), and Education and the Workforce Committee Ranking Member Bobby Scott (D-VA). The Lowering Drug Costs for American Families Act builds on the drug pricing provisions included in the Inflation Reduction Act last year. Specifically, the bill would extend the drug price negotiation program to all Americans with private coverage, prohibit drug

companies from raising prices faster than inflation, and strengthen the drug price negotiation program.

- **Pharmacist Scope:** Sens. John Thune (R-SD) and Mark Warner (D-VA) introduced the [Equitable Community Access to Pharmacist Services Act](#), bipartisan legislation aimed at ensuring seniors can continue to access certain clinical services from their pharmacist. The bill would allow Medicare to reimburse for certain pharmacist-administered tests, treatments, and vaccinations for influenza, respiratory syncytial virus (RSV), COVID-19, and strep throat, in accordance with state scope-of-practice laws.
- **Drug Shortages:** House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA) unveiled a discussion draft with policy proposals to address the drug shortages facing America. The discussion draft will give manufacturers of generic, sterile injectable drugs for serious diseases, more flexibility to respond to market pressures, so they can invest in manufacturing and ramp up production when potential shortage situations arise. The draft increases disclosure requirements on group purchasing organizations that control bulk contracts between drug manufacturers and health care providers and establishes a pilot program for FDA to conduct pre-approval inspections for new domestic sterile manufacturing facilities. Those who wish to submit comments or feedback can do so at [drugshortages@mail.house.gov](mailto:drugshortages@mail.house.gov) by August 25, 2023. [CLICK HERE](#) to read the discussion draft. [CLICK HERE](#) to read a section by section. ACH is reviewing the proposal.

## **PBMs & Transparency**

- **Senate Finance Markup:** The Senate Finance Committee [approved a legislative package](#) that aims to require more transparency from pharmacy benefit managers (PBMs). The bill, which advanced 26-1, would place new requirements on contracts between Medicare Part D plan sponsors and pharmacy benefit managers, the so-called pharmacy intermediaries who negotiate drug prices between manufacturers, insurers and government health providers like Medicare and Medicaid. The lone holdout was Sen. Ron Johnson (R-WI).
  - **Larger Package:** Senate Finance Chair Ron Wyden (D-OR) and Ranking Member Mike Crapo (R-ID) pledged to work with members on additional drug-pricing proposals before the multi-pronged PBM reform package cleared by the committee this week hits the Senate floor. During the markup, Wyden pinpointed several measures that did not make it into the Modernizing and Ensuring PBM Accountability (MEPA) Act that he said would add to the goal of reforming the way PBMs conduct business.
- **Ways & Means Markup:** The House Ways and Means Committee [approved a health care package on a party-line vote](#) after talks between Republicans and Democrats broke down last week. The 150-page bill includes proposals that would promote price transparency among hospitals, health plans and PBMs; require prior authorizations from Medicare Advantage plans to be handled electronically; and usher in site-neutral

payment policies that ensure patients pay the same for a service regardless of where it's performed. But Democrats were upset at the last-minute removal of a provision that aimed to reveal private equity ownership of hospitals and nursing homes after months of talks with Republicans on the issue.

## **HRSA**

- **Rural Residencies:** [HRSA has awarded nearly \\$11 million to 15 awardees to establish new residency programs in rural communities](#), aiming to address the shortage of doctors in underserved areas and improve healthcare access for rural Americans. These programs will focus on training physicians in rural settings to encourage them to stay and practice there, with special emphasis on maternal health care and obstetrical training. The Administration's efforts also include funding for rural residency planning and development, as well as Medicare-funded physician residency slots to enhance health equity and access to care in underserved regions.

## **Unwinding**

- CMS posted a [fact sheet](#) updating the agency's efforts to assist states as they continue renewing eligibility for all Medicaid and CHIP enrollees following the end of the continuous enrollment condition on March 31, 2023, under the Consolidated Appropriations Act, 2023. In addition, CMS released a [table addressing mitigation strategies](#) related to Medicaid and CHIP eligibility renewals. This action is part of CMS' ongoing efforts to ensure States have the information they need to help people maintain health care coverage.
- According to the [KFF tracker](#), at least 3,773,000 Medicaid enrollees have been disenrolled as of July 31, 2023, based on the most current data from 39 states and the District of Columbia. As many as 82% have been disenrolled in Texas.
- About 75% of the 2.7 million people who have lost Medicaid coverage across 32 states and Washington, D.C. were disenrolled from the program because they did not complete the process to renew their coverage; so, many of these individuals may have lost their insurance despite still being eligible for Medicaid. [More coverage, from CNBC, can be found here](#).

## **CMS**

- **(GUIDE) Model:** On July 31, CMMI announced the Guiding an Improved Dementia Experience Model, a condition-specific longitudinal model (not a shared savings type of model) that will be paid for a per beneficiary per month (PBPM) that has a few adjustments, including a health equity adjustment. It will qualify as a MIPS APM. While PACE is excluded, the model has a larger enrollment pool with hopes to address key drivers of poor-quality care, including paying for respite services. RFAs will open in Fall 2023.

- **Action Plan:** In July, the Centers for Medicare & Medicaid Services (CMS) released the [Mental Health and Substance Use Disorder Action Plan](#) and [Guide](#), which outlines the agency's strategies for improving treatment and support for enrollees with these conditions. Areas of focus include improving coverage and integration to increase access to prevention and treatment services, encouraging engagement in care through increased availability of home and community-based services and coverage of non-traditional services and settings, and improving quality of care for MH conditions and SUDs.
- **Mental Health:** Currently, Medicare covers only the least intensive types of mental health treatments on the continuum, namely, early intervention and outpatient services, along with the most intensive treatment types, or residential inpatient services and medically managed inpatient care. The Biden administration's [recent proposal](#) to add the missing intensive outpatient services, including an individualized treatment plan, counseling, medication management, and family therapy, could help address Medicare beneficiaries' untreated mental health and substance abuse issues. If finalized, the proposal would help address a shortage of Medicare-eligible mental health providers.

## HHS

- **Mental Health Parity:** Amid a worsening mental health crisis, the Biden administration is [proposing regulatory changes](#) aimed at improving access to care. In 2020, the Mental Health Parity and Addiction Equity Act was updated to require that payers conduct analyses that would ensure that mental health and substance abuse treatment benefits are not more restrictive than those for medical care. This proposal aims to clarify this requirement and make it clear to insurers that they must weigh the outcomes of their policies to measure access barriers. The rules are issued jointly by the Departments of Health and Human Services, Labor, and Treasury.

## FTC

- **Merger Guidance:** Newly proposed merger guidelines from the Federal Trade Commission (FTC) could chill dealmaking in the health care sector, as well as increase the costs and time it takes to get transactions to close. The FTC in July [withdrew two antitrust policy statements](#) and, with the Department of Justice, [issued updated guidance for merger reviews](#), committing to review deals and conduct on a case-by-case basis. Gone are "safety zones" for conduct including exchanging information and collaborations among networks of providers that the agency deemed outdated or inconsistent with market realities. The changes follow related moves from DOJ and come as the Biden administration is stepping up oversight of healthcare mergers. The agency is proposing to subject more deals to the [Hart-Scott-Rodino Act](#), which would give it more time to review the transactions before they are concluded for competition concerns.

## FDA

- **Antibody Therapy for Overdose:** In July, [the FDA gave a North Carolina biotech company permission to test if a monoclonal antibody can prevent people from overdosing on fentanyl](#). The synthetic opiate is becoming a leading cause of death for people under 50. Naloxone is currently the most widely used drug to reverse an overdose, but researchers are looking at new approaches, including an experimental vaccine. The antibody CSX-1004 from Cessation Therapeutics is designed to neutralize fentanyl molecules entering the bloodstream before they reach the brain, limiting addiction risk. It showed promise blocking fentanyl's potentially fatal effects in mice and monkeys in trials funded in part by the National Institutes of Health. The clinical trial will start in August.

## In the States

- **North Carolina:** North Carolina Gov. Roy Cooper's administration [announced the state will expand Medicaid on Oct. 1](#) — even though lawmakers have yet to approve the funding to do so. The unusual move, agreed to by the Biden administration, puts additional pressure on the state's Republican-controlled legislature to either pass a budget or fund Medicaid expansion separately — something the Democratic governor and his health and human services secretary, Kody Kinsley, have been calling for since lawmakers failed to reach a spending deal earlier this month.

## Upcoming Events of Interest:

- **August 6-12:** National Health Center Week
- **August 8:** [HRSA 2022 Uniform Data System \(UDS\) Trends Webinar](#)
- **August 23:** [ACH Monthly Office Hours](#). 12:00 p.m. ET. *Virtual*.
- **August 23:** [CMS Partner Education Monthly Series on the Unwinding](#). 12:00 p.m. ET. *Virtual*.